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Corporate Name Selection

An in-depth look at the complexities of corporate nomenclature by this country's leading consultant on the subject.

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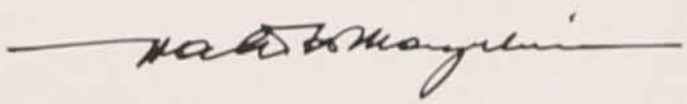
The Discipline of Name Development Name development, either on a corporate or brand level, is one of the least understood disciplines in the entire field of communications. The reason, perhaps, is that on the surface this recently recognized science appears deceptively easy. To the inexperienced, creating a new name often appears as a relatively simple task. However, it is not so.

Name development is a highly complex and time-consuming endeavor. Lippincott & Margulies, as a communications consulting firm involved in the creation of literally hundreds of corporate and brand names, is well aware of the opportunities and pitfalls inherent in such an undertaking. Nomenclature specialists experienced in the procedure and techniques to achieve an optimum name solution are decidedly called for.

Consider the importance of a corporate name. It is generally the most prominent expression of your company. It will probably have to function effectively for a great many years. It actively affects your marketing effort. It should remain viable even if your company expands and diversifies. It becomes clear, then, that every logical avenue should be carefully explored so that the most appropriate, available corporate name is selected. To do less could be detrimental in the long run.

The purpose of this issue of Sense is to share with you our experience with the complexities and benefits that accompany a corporate name program. Nomenclature development is a discipline that we feel in time will gain its rightful recognition in the total communications mix of corporate graphics, marketing, public relations, packaging, advertising, promotion, environmental marketing design, and other elements.

As always, we are interested in maintaining a dialogue with our readers and appreciate any comments or observations you might have on our subject.



Walter P. Margulies

Corporate Name Selection

The Power of Good Names Corporate names are all-pervasive. Hundreds and even thousands of times a day we are confronted by them in one form or another. Yet, we seldom think about them.

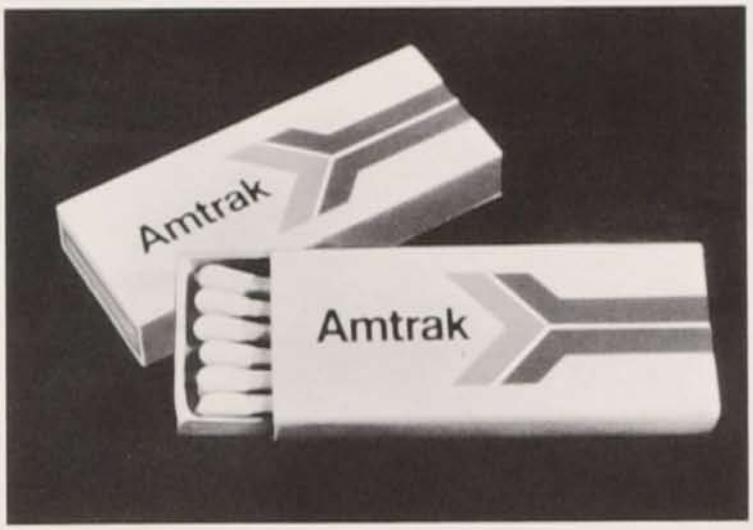
As businessmen, we have direct contact with corporate names throughout the working day. As consumers, we use brand name products and services that are also endorsed by a corporate parent. Names such as Westinghouse, 3M, U.S. Steel, General Foods, Standard Oil of California, Uniroyal, General Motors, IBM and Xerox are an integral though rarely thought about part of our daily lives.

A corporation's name is the cornerstone of its identity, a verbal distillation of its uniqueness. A company is identified by name, positioned by name, promoted by name and advertised by name. Its stock is sold by name.

To appreciate the extreme importance of establishing and protecting a corporate name, take a quick test. What company do you immediately associate with the following products or services? Camera film. Bus travel. Facial tissue. Copying machines. Petroleum jelly.

If you said Kodak . . . Greyhound . . . Kleenex . . . Xerox . . . Vaseline, your responses prove the power of good products, good communications and, of course, good names.

At the same time, there are companies like Desoto, Inc., a $250 million chemical and furniture manufacturer headquartered in Des Plaines, Illinois. What degree of corporate distinctiveness



Amtrak's nomenclature system developed by Lippincott & Margulies, featuring a short, powerful name and a speed-oriented arrow in the national colors, helps give a positive identity to the rebirth of railroad passenger travel in America.

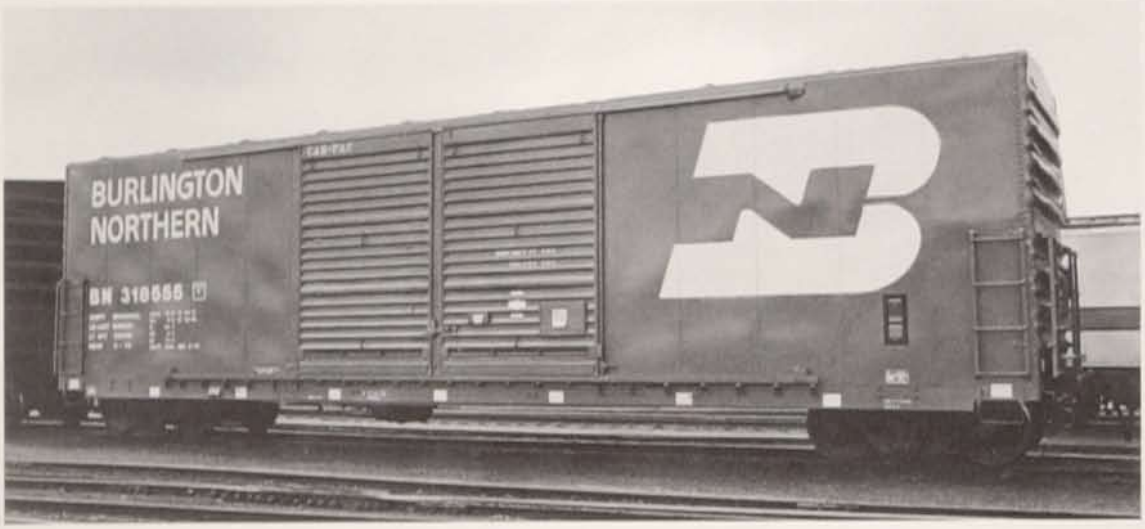
has it lost over the years because of its confusion with De Soto, the still well-known but now defunct, automobile manufacturer?

Another example is the B.F. Goodrich Company, which over the years has spent millions of advertising dollars in an attempt to differentiate itself from Goodyear, one of its major competitors. This advertising effort, although imaginatively conceived, was developed to overcome a basic communications problem—corporate nomenclature that does not provide a meaningful distinctiveness from the competition.

Becoming Too Successful Can a name be too successful? The answer is a definite yes. The problem arises when a name becomes so well-known and accepted by the general public that it might become a generic word. This mostly affects brand names, but there are a number of cases where brand and corporate names are the same.

Consider such commonplace words as aspirin, cellophane and escalator. They were once famous and protected brand names that became generic through constant use. Now they can be used by any firm marketing a similar product.

A company with a powerful corporate or brand name must take every available step to protect it. One wonders with what trepidation that companies with such famous names as Xerox,



A new corporate name was required with the merger of three railroads—the Northern Pacific, the Burlington, and the Great Northern. The solution, Burlington Northern, gives equal recognition to all three.

Scotch Tape, Kleenex and even Coke face the future. When the general public begins to use a corporate or brand name in the vernacular, as in "Please xerox this for me," or, "Pass the kleenex," the problem has become a significant one.

It is understandable, therefore, when Xerox literally pleads with the public not to use its name in a generic sense. In an advertisement headlined "What do Coke and Xerox have in common?" the company candidly discussed the importance of brand names and what can happen if they are used improperly. Xerox knows that once a brand or corporate name slips into generic use, the millions of dollars that have been spent to position it are forever lost.

Reasons to Change The question then arises, why would a company want to change its name? There are a number of reasons.

Restrictive Names A primary reason for changing a company's name may be that it is no longer indicative of corporate activity, and a new name must be developed to reflect the present nature of operations. Former names such as U.S. Rubber, General Baking, Cincinnati Milling Machine, and United Aircraft all, at one time, provided a distinct image of those corporations and what they did. Yet, times changed and each company expanded into other areas of industrial activity. Their names no longer were accurate, so they turned to Lippincott & Margulies for assistance. The current names of these companies are considerably less restrictive—Uniroyal, General Host, Cincinnati Milacron and United Technologies.

Citgo was chosen from more than 100,000 names generated by computer. As a brand name, it has a clear link with the parent corporation, Cities Service Oil Co.

ChemBank, the communicative name for Chemical Bank, is used in selected situations to provide a warmer, informal image to a giant financial institution.

Allen Electric & Equipment Company became The Allen Group after diversification made the old name obsolete. This was one of the first "Group" nomenclature solutions.

Among our other clients changing restrictive names are the former Allen Electric & Equipment Company, now known as The Allen Group; R.J. Reynolds Tobacco, positioned as RJR Industries; General Steel, now Gentor; Wood Conversion Company, changed to Conwed; and Triangle Conduit and Cable, now Triangle Industries.

Indistinctive Names A new name can also help fashion an identity that is distinct in the competitive marketplace. A word like "American," for example, is found in so many corporate names that it provides, in many cases, a less than memorable communications stance. Some of our clients that had fallen into this category are Abex, Amsted Industries and Amcord. These companies were formerly known as American Brake Shoe & Foundry, American Steel Foundries and American Cement, respectively.

Geographically Limiting Names As a corporation grows and expands, it may find its name too limiting geographically, which, in turn, could affect its overall marketing plans. Clients that were in this position include the former Tennessee Oil & Refining Company, Pittsburgh Plate Glass and Pacific Car & Foundry. Today these companies are better recognized by their new, non-geographically-limiting names—Tenneco, PPG Industries and Paccar.

A name can be geographically limiting even if it has national connotations. Uniroyal, a company marketing on a global basis, was formerly called the U.S. Rubber Company, a name too strongly tied to its homeland. Incidentally, before the name change, U.S. Rubber faced the problem of having its branch offices in certain foreign countries periodically attacked by mobs when a wave of anti-Americanism broke out. It was reported that shortly after assuming the Uniroyal name many problems in this area dissipated.

Mergers Mergers between companies often necessitate a corporate name change, and there are special problems that must be solved. How the new company is to be positioned and where the emphasis will lie between the two firms are potentially explosive questions that call for very delicate handling. Sometimes within the two nomenclature structures there is a logical approach that is equally representative of both companies.

When two banks in the Washington D.C. area—Union Trust Company and The First National Bank of Washington—decided to merge, Lippincott & Margulies' nomenclature solution was a balanced marriage of the two—Union First. Another new name that provides equal weight

Paccar's former corporate name, Pacific Car & Foundry, became too limiting geographically. The company also became involved in other areas of manufacturing activity.

Often nomenclature must function in two or more languages. The name Bonimart was created for a large, Canadian retail operation to have favorable connotations in French and English.

The use of initials for new corporate names is recommended by Lippincott & Margulies only when the company has great equity in them. RCA's three initials were well known to the public when it changed its name from Radio Corporation of America.

Corporate Nomenclature Mix and Match

Corporate name changes are almost always accompanied by a client's concern over how fast the new name is implanted in the public's mind. To test yourself, see if you can match up the current and previous names of 25 Lippincott & Margulies clients whom we assisted in corporate name changes. To see how well you did, check the inside back cover for the correct matchups.

Current Identity		*Previous Name*
1	Abex	A. California Packing
2	Amcord	B. Security Life and Trust
3	Amsted Industries	C. United Biscuit Company of America
4	Cincinnati, Inc.	D. American Cement
5	Cincinnati Milacron	E. American Brake Shoe & Foundry
6	Cominco	F. Ohio Oil
7	Dart Industries	G. United Gas
8	Del Monte	H. Noxzema Chemical
9	General Host	I. Extendicare
10	Group W	J. General Baking
11	Humana	K. Interchemical
12	Inmont	L. Tennessee Oil & Refining
13	Integon	M. The Warner Brothers Company
14	Interpace	N. Dunhill International
15	Keebler	O. International Pipe & Ceramics
16	Marathon Oil	P. Westinghouse Broadcasting
17	Noxell	Q. American Steel Foundries
18	Paccar	R. Cincinnati Shaper
19	Quantric	S. Standard Railway Equipment Manufacturing
20	Questor	T. Cincinnati Milling Machine
21	Stanray	U. Pacific Car & Foundry
22	Tenneco	V. Consolidated Mining & Smelting
23	Uniroyal	W. Rexall
24	United Technologies	X. U.S. Rubber
25	Warnaco	Y. United Aircraft

between merging companies is Burlington Northern, resulting from the joining together of the Great Northern, the Northern Pacific, and the Burlington railroads.

Complex Names Often companies inherit names that are extremely complex, difficult to understand, or hard to remember. This sort of nomenclature albatross can only hinder a corporation's marketing efforts. One of our clients in this situation was Consolidated Mining and Smelting Company of Canada, Ltd., a corporate mouthful that was changed to a name easier to handle—Cominco.

Another client with a difficult name was the former Fidelity-Philadelphia Trust Co. The nomenclature problem of this leading Eastern bank was immediately evident when customers tried to say the name without tripping over their tongues. As part of a total identity program, the name was truncated to The Fidelity Bank. Simplification was the key. Whenever possible, extraneous identification elements that get in the way of a straightforward, understandable corporate name should be eliminated.

Stronger Awareness Level The desire to gain almost instant corporate recognition is another reason companies change their names. To achieve this stronger level of awareness, some adopt a brand name of their own that has a much higher public recognition than the corporate name. United Biscuit Company of America, California Packing and the Ohio Oil

The retail name, Pathmark, and a complete graphic and packaging system was developed for Supermarkets General Corporation by Lippincott & Margulies. The retail identity makes no attempt to tie in with the little known name of the corporate parent.

Company achieved overnight corporate recognition by our recommendation to switch to one of their own well known brand names—Keebler, Del Monte and Marathon.

In addition to helping companies change to brand-oriented corporate names, Lippincott & Margulies has worked with clients who have kept their brand and corporate identities distinct, even though the brand name might be considerably more powerful. The reasoning behind this approach differs with the particular corporate strategy and marketing needs of each company. Pathmark, for example, is the retail name of a strong supermarket chain operating in the Northeast. Its corporate name, on the other hand, is probably known only to a small number of individuals—Supermarkets General Corporation. Another example is Citgo, a very strong brand name among motorists, whose corporate parent, Cities Service, has a name that is less well known.

Reasons Not to Change When changing a corporate name, management must also consider the negative aspects that might accompany such a move. The loss of long-established equities, the expense and time involved in implementing a new name, and the danger of settling on a corporate name that, in the long run, might provide more problems than the former name are situations that can arise.

The decision to change or not to change must be based upon a corporation's own self interest. When thinking over the situation, executives must ask themselves these questions concerning their company:

Inmont, formerly Interchemical Corporation, is an acronym based on the company's corporate philosophy—*I*nternational *M*arketing *O*f *N*ew *T*echnologies

RJR Industries changed its former, restrictive corporate name of R. J. Reynolds Tobacco to get away from a one-product image and to reflect the company's business diversification.

- ☐ Is the present corporate name limiting in any fashion?
- ☐ Is it truly reflective of the company and what it does?
- ☐ Does it importantly affect marketing aims?
- ☐ Will it effectively encompass corporate activities ten years from now? Twenty years?
- ☐ Is the name easy to understand?
- ☐ Is it memorable?
- ☐ Does it lend itself well to visual presentation?
- ☐ What is its image on Wall Street?

It should also be noted that it is often extremely difficult for executives to assess accurately and objectively the need for a corporate name change. Understandable loyalty to tradition, internal politics, and individual emotionalism often hinder a management decision in this area. For this reason outside consultants, professionals with an objective viewpoint, are needed.

How A Name Must Function In choosing a new corporate name, what is often forgotten is that it must function in a variety of environments. For example, it must have good phonetic qualities for use on the telephone, radio, television and other audio and visual presentations.

A new corporate name will also be pronounced by non-English speaking people abroad where your company does business, or hopes to do so in the future. Your name should travel well by being easy to pronounce and understand, without possessing any negative connotations in a foreign language. Several years ago Exxon Corporation developed a new

Lippincott & Margulies developed the corporate name for Uniroyal when the former name, U.S. Rubber, was found to be geographically limiting and unrepresentative of total business activity. "Uni" ties in with both the United States and a universal, global image, plus "royal" is a well-established brand name for the company's tires.

Noxell, formerly Noxzema Chemical, retains the nomenclature equity of its famous brand name, but moves away from a medicated image not appropriate for other product lines. It is one of the rare cases of a corporate name changing from a well-known brand name.

Often a new name (RainierBank) is a total departure from a former one (National Bank of Commerce of Seattle). In this case, specific nomenclature needs were met—uniqueness, brevity, memorability and a strong regional, Northwest identification.

The former American Cement Corporation, now Amcord, was one of thousands of firms using American in its title. The new name is more distinctive and less restrictive, complementing Amcord's diversification in manufacturing.

fertilizer that it planned to market internationally. The brand name selected for this new product was Engro, which seemed fine until Exxon management discovered that a French expression, *en gros*, implied buying or being able to get things wholesale. Needless to say, the name Engro was not used in France. The fertilizer is now sold there as Enagro.

In addition to sound, a new corporate name must be effective in a graphic context. It must be adaptable to a distinctive logotype and to the overall graphic system that is used throughout the corporation for such communicative elements as stationery, advertising, business cards, signs, product packaging, promotion pieces, business forms, and company literature.

Your name and its graphic use will also probably function as an endorsement for your divisions, subsidiaries and affiliates. In all applications, the new name must work to the best advantage of the corporation. With these diverse environments—graphic, audio and linguistic—it is imperative that the corporate name selected position your company in a positive and memorable manner.

Different Approaches to Corporate Name Development The approach used in selecting a new corporate name will depend on the previous corporate name and how it positioned the company; the present corporate philosophy and marketing objectives of the company; and the criteria that must be satisfied to mirror the company today and what it is hoped to be in the future. There are many avenues to follow.

Before any steps are taken, however, it must be firmly established that a name change is needed. Before any strategy is developed to implement a new corporate identity, basic, preliminary research must be completed. No name change should take place without a thorough audit and study that delves into both the intellectual reasons for changing and the practical considerations that must be taken into account. Once this initial phase of the nomenclature development process is completed, then the different approaches to creating the actual name can be examined.

There are several major ones that can be taken. All are aimed to position a company better in the market place and to help it communicate more effectively to the public.

Truncation One of the simplest approaches to corporate name change is truncation of an existing name. However, what appears simple to an outsider might be a long and arduous endeavor. Generally shorter names are more memorable and have greater potential for visual presentation. Lippincott & Margulies recommended to the former Eaton, Yale and Towne, as a part of a total corporate identity program, that it shorten its name to Eaton. Olin Mathieson Chemical Corporation was advised to become Olin. A well-known change of several years ago was Haloid-Xerox Corporation to simply Xerox.

Total Departure At the other end of the spectrum is the development of a corporate name that is a complete departure from the former one. There should be sound reasons for such a move because of the special problems involved in creating a totally new identity for a company. Yet, the benefits of this approach are substantial, if the reasoning behind the change is solid and the approach is professional.

Banks in recent years have been in the forefront of companies having nomenclature changes that are total departures. Much of this is due to new banking laws, the formation of bank holding companies, and the greater marketing and communications needs of banks today.

Recent client projects in this area include the change of the National Bank of Commerce of Seattle to RainierBank; Fidelity Federal Savings and Loan of Los Angeles to Citadel; and First Federal Savings and Loan of Jackson, Mississippi, to Unifirst. Other corporate examples of total departures include Dunhill International to Questor; Security Life and Trust to Integon; Extendicare to Humana; and United Gas to Quantric.

Retention of Existing Equities Between the two extremes of name truncation and total departure, there is a middle ground that calls for creating a new name with a link to the past. This approach provides a bridge from the old to help in establishing the new. The connection to the former name may be tenuous or immediately recognizable, depending on the client's specific problems.

A case in point is the old Noxzema Chemical Company, which came to Lippincott & Margulies several years ago with an interesting problem. The company had great equity in the name Noxzema through its broad use as a brand name. At the same time, in terms of corporate identity, this created something of a problem because of the strong medicated image linked to Noxzema. While appropriate for certain types of products, this medicated identity was not right for the company's home cleaning products, for example.

The need, then, was to create a new corporate name that would not lose the great equities inherent in Noxzema, yet, at the same time, move away somewhat from the medicated image. The solution was the name under which the company is currently known—Noxell Corporation.

Ohio Oil Company achieved stronger public awareness by officially changing its corporate name to one of its well-known brands—Marathon.

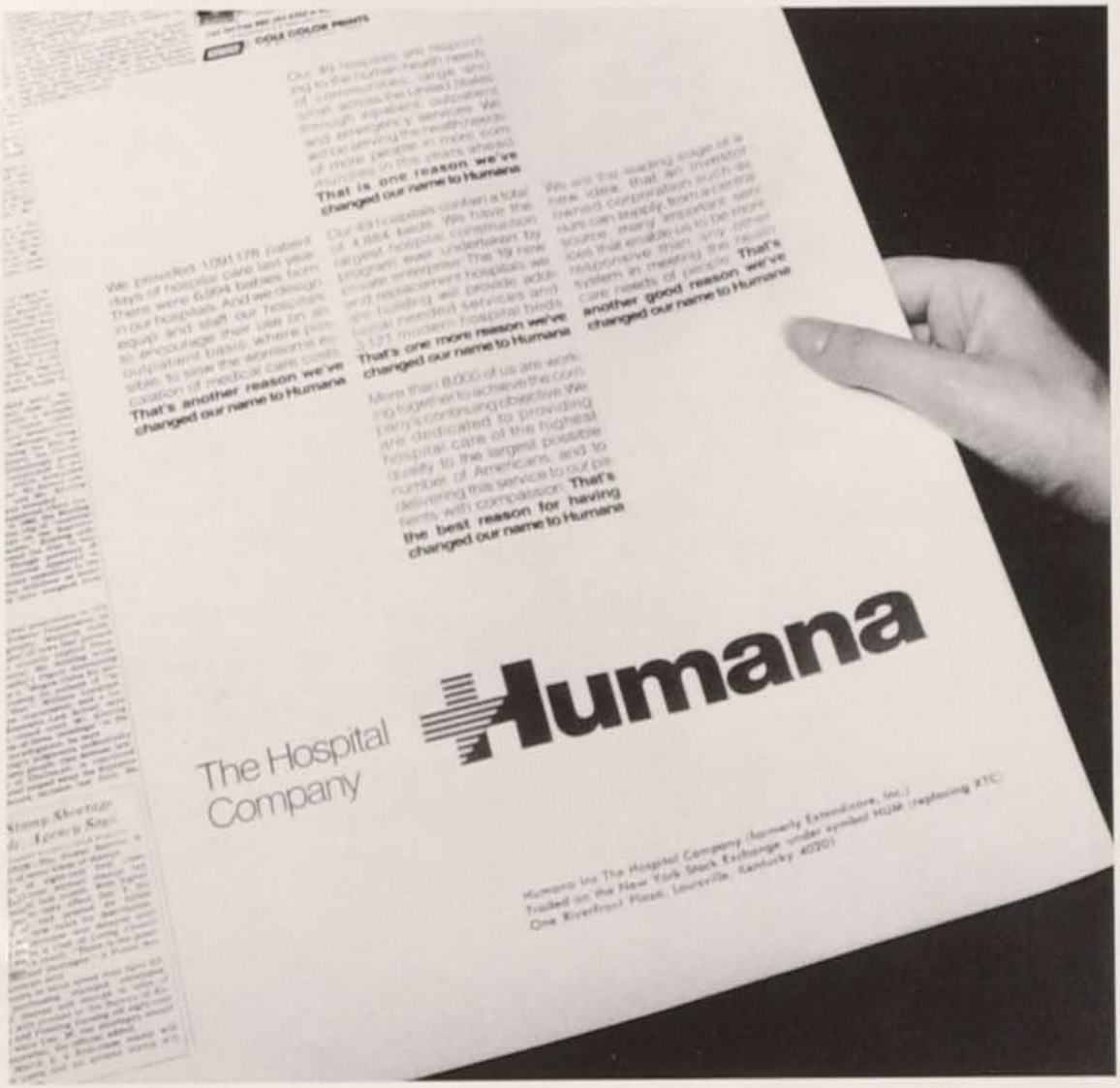
Complex or hard-to-pronounce corporate names may be detrimental from a marketing point of view. Fidelity Bank was formerly called the Fidelity-Philadelphia Trust Company.

Other clients that have changed their names but maintained a link to their former identities include Stanray, formerly Standard Railway Equipment Manufacturing; Asgrow Seed, originally Associated Seed Growers; and Interpace, which changed from International Pipe and Ceramics.

The Initial-Letter Approach Although the use of initials for new corporate names appears to be diminishing in popularity, the approach is still used by a number of companies. Generally, it is an approach not favored by Lippincott & Margulies, since the primary purpose of a new corporate name is to create an identity that is distinctive, an accurate reflection of a company. Using initials to make a new name does not usually do the job. In fact, it can smooth the path for a company to become lost in an "alphabet soup" of corporate names.

Unless a company has substantial amounts of communications dollars, the attempt to establish a new name made of initials should not be made. Thousands of companies have opted for the initial approach, so establishing a distinctive and recognizable corporate name using letters of the alphabet becomes an almost impossible task.

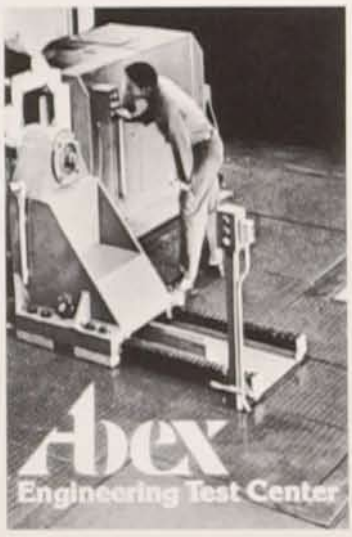
Leaf through the first few pages of a corporate directory and the problem becomes readily apparent. Under the A's alone, you will find . . . AGM Industries, AGP Corporation, AJ Industries, AMF Incorporated, AO Industries, APC Industries, APV Industries, ARI Industries, AVC Corporation, APA Transport, A-Q Industries, A-S Development, A-T-O Inc. . . . to mention only a few.


That is one reason we've changed our name to Humana
That's another reason we've changed our name to Humana
That's one more reason we've changed our name to Humana
That's another good reason we've changed our name to Humana
That's the best reason for having changed our name to Humana
The Hospital Company
Humana

A totally new corporate name, Humana, was developed for Extendicare when the company turned to hospital construction and management from its former role of providing nursing home services.

Formerly Cassano Pizza King and London Bobby Fish and Chips Family Restaurant, the name of this fast-food chain at the retail level was changed to the more concise Cassano's Pizza & Seafood to create a more unified and understandable identification stance. The names, Pizza King and London Bobby, are now used as brand identifiers.

The selection of Abex as the new corporate name for American Brake Shoe & Foundry eliminates the ubiquitous "American" and the restrictive "Brake Shoe & Foundry." Abex's first two letters provide a bridge to the old name. Abex was also an existing brand name of the company which filled nomenclature requirements for the new name.



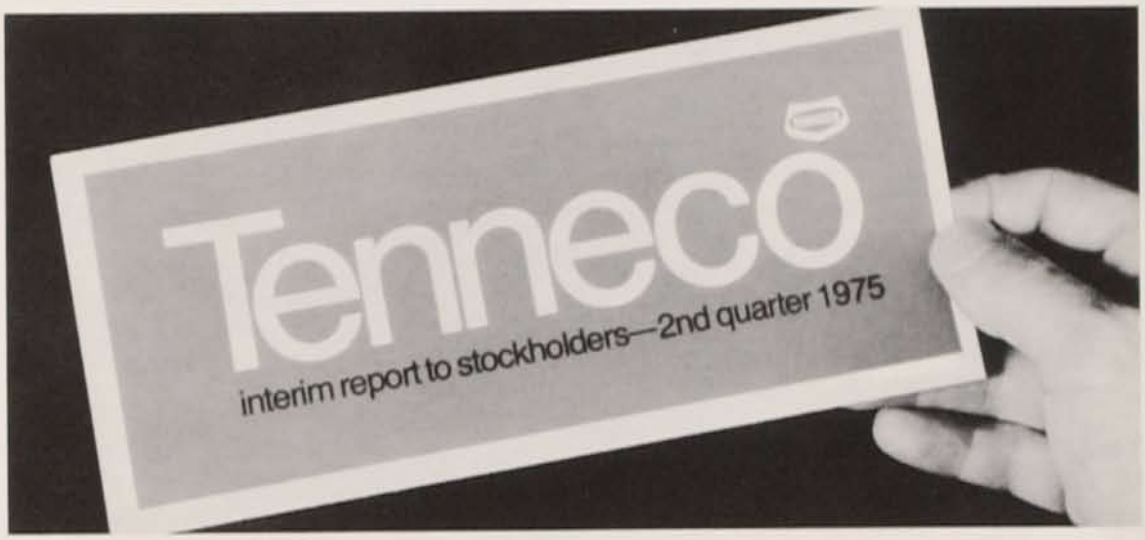
To create a more distinctive and memorable identification, First Federal Savings & Loan of Jackson, Mississippi changed its name to Unifirst to differentiate itself from the many other First Federal S&L's within the state.

Yet, there are always the exceptions and some companies in recent years have made a successful transition to an initial name. But, in almost all cases, the companies had substantial equities already established in their initials. When the former Radio Corporation of America followed our recommendation and legally became RCA, long usage had already firmly implanted the letters in the public's mind. The same was true, although to a lesser degree, of another client, PPG Industries, when it changed from Pittsburgh Plate Glass.

Despite the inherent difficulties, a number of companies, some quite substantial in size, still opt for initials. Recently, Universal Oil Products changed its name to UOP Corporation, and, in a campaign designed to establish this new initial identity, ran advertising which asked the question, "What is a UOP?" Will the public ever know?

The International House of Pancakes uses initials as part of an attempt to change the public's perception of its product mix. They settled on the acronym IHOP. How this in the long run will meaningfully differentiate this chain from others, in a very competitive business, is difficult to understand.

Other Approaches One of the more fascinating approaches to developing corporate names is through a computer. Used only in special situations where the generation of tens of thousands of name possibilities is required, the computer is, in reality, a natural extension of Lippincott & Margulies' systematic, logical approach to name development.



Tenneco, formerly Tennessee Oil & Refining, first used its name as a retail identity for the company's gas stations. Later it was adopted for the entire corporation.

Group W, the present corporate name for Westinghouse Broadcasting, was chosen to emphasize the fact that the company is a group of radio and television stations, rather than independent stations or a network.

Citgo, the brand name for Cities Service Oil Company's gasoline and service stations, was developed by a computer. Lippincott & Margulies recommended that a link be retained to the corporate name, so a computer was programmed to generate name candidates in combinations of four, five and six letters beginning with "CI." The letters, J, Q, X and Z were eliminated to avoid pronunciation problems, as were any vowels that might follow the first two letters. More than 100,000 names were produced by the computer, among them Citgo.

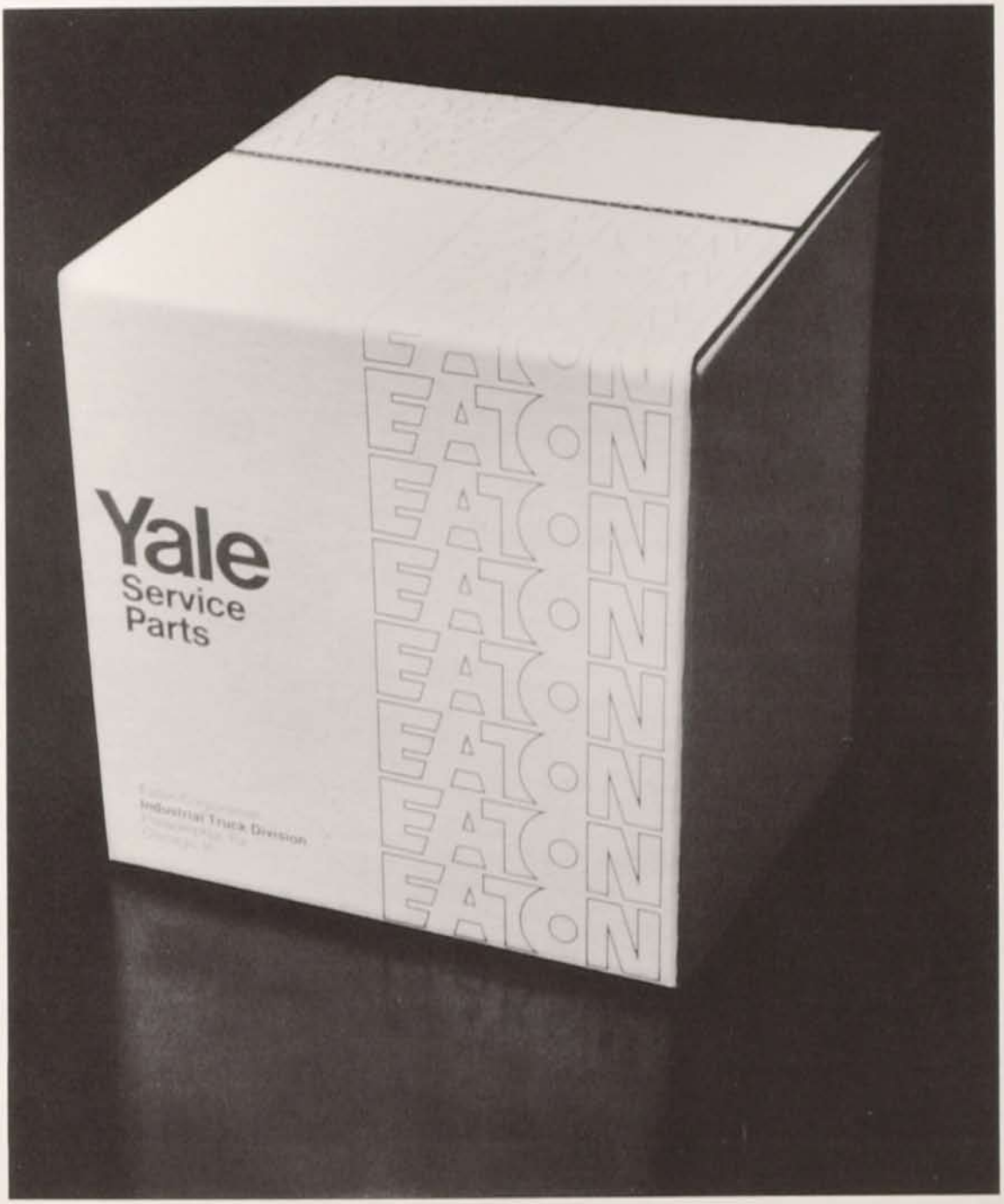
Some names must be recognizable and function effectively in more than one language. In Canada, with its English and French heritage, the need is paramount. When a new retail name for a supermarket and variety store operation was sought by Oshawa Corporation of Toronto, one of the prime considerations was that the name had to have favorable connotations, and be understandable, in both languages. The solution: Bonimart.

Royal Bank of Canada, a leading international institution, not long ago had the problem of relating to the French-speaking community. Its name, with its obvious English connotations, was part of the problem until a dual nomenclature system was adopted that uses both languages—Royal Bank and Banque Royale.

Sub-Corporate Nomenclature While a company's primary name receives the most attention, its sub-corporate nomenclature system is another vital communicative channel that can help meet marketing goals. This system includes the names of subsidiaries, divisions and affiliates, along with all brand and service names. These names are the front-line troops, the ones that customers and prospects usually have the closest identification with.

Sub-corporate nomenclature and its use can have a significant effect on how a company is viewed, no matter what its size. This is true whether the company is consumer or industrially oriented. Even companies with only a limited number of subsidiary and brand names have options for presentation that can be both considerable and confusing. For large corporations, with their plethora of brand and subsidiary names, the choices are staggering.

Cominco's former corporate name, the Consolidated Mining and Smelting Company of Canada, Ltd., not only was a nomenclature mouthful, but it did not reflect the widened scope of the firm's activity.



Truncation can appear to be one of the simplest approaches to changing a name, although the process is often complex. Eaton, Yale and Towne was shortened to Eaton as part of a total corporate identity program.

Eaton Sub-Corporate Nomenclature One approach to restructuring sub-corporate nomenclature can be found in Lippincott & Margulies' work with Eaton Corporation (formerly Eaton, Yale & Towne). Recommendations were made to substantially emphasize the stance of the corporate parent while in most cases subordinating the identities of individual divisions. It was decided that the three identities to be promoted would be the new truncated corporate name, Eaton, its areas of competence and its select group of strong primary brand names.

As a consequence, many of Eaton's divisional names were changed to descriptive identities and grouped in appropriate market categories. In almost all cases, Eaton's corporate identity is closely linked to that of the division.

In a number of situations, the former division name is also retained as a major brand identity. For example, the name of the Fuller Transmission Division was changed to Eaton Transmission Division. The name Fuller, however, is now used as a major brand identity endorsed by the corporate parent.

Demonstrated below are the "before" and "after" sub-corporate nomenclature presentations of one of Eaton's corporate Groups—Truck Components:

Former Division Names	***New Division Names***
Truck & Off-Highway Components Group	**Truck Components Group**
Eaton Marion Division Unit Drop Forge Division	Eaton Forge Division
Eaton Axle Division	Eaton Axle Division
Shuler Axle Division Marion Forge Division	Eaton Brake Division
Fuller Transmission Division	Eaton Transmission Division
Eaton Gear Division	Eaton Gear Division

Fast Fare, a chain of convenience stores, selected its new name to replace six different ones that had been in use.

To analyze a sub-corporate nomenclature system for any size company, certain questions must be addressed:

- ☐ Do the current subsidiary, division and affiliate names accurately position business activity?
- ☐ If not, what direction should they follow?
- ☐ Should subsidiary names have some sort of commonality with each other?
- ☐ If not, which ones should be independent, and why?
- ☐ Should they be endorsed by the corporate parent?
- ☐ If so, what should the weight of that endorsement be?
- ☐ Should the endorsement vary in certain circumstances?
- ☐ Are there situations in which there is no endorsement?
- ☐ Are there too many brand names fragmenting the money available to promote them?
- ☐ If so, which should be cut and which should be retained?
- ☐ What type of endorsement should brand names receive relative to corporate or subsidiary names? To another major brand name? Should any endorsement be made?

The options can be bewildering, but they must be examined, since the sub-corporate nomenclature system will, in many situations, receive greater exposure than a corporate name. Each subsidiary, division and affiliate name has particular equities in the marketplace. The same is true of brand and service names. Only when they are all organized into a planned nomenclature system will they work to the full benefit of the parent corporation.

Corporate Endorsement A company's use of its corporate name as an endorsement tool is another key part of nomenclature planning. This calls for a communications strategy spelling out how, when and where a corporate name should be used. Too often companies link their corporate, subsidiary, brand and service names in a totally confusing manner.

The vital consideration in structuring corporate and brand nomenclature is to create a clear and concise image. The average consumer is bombarded by all kinds of communications each day, so to be memorable a message must be understandable and distinct. People have neither the time nor the inclination to stop and try to interpret murky communications.

A classic example of confusing nomenclature endorsement was a General Time Corporation advertisement to introduce a clock called Quartzmatic. The manner in which the ad was

signed, however, almost defies comprehension. The brand and corporate signatures, taking up almost one quarter of the ad, read as follows:

Quartzmatic
Watches and Clocks by Seth Thomas
Westclox
Division of General Time Corporation
A Tally Industries Company

In spite of the confused presentation, the important point to remember is that each of the names listed probably has an important equity in the marketplace. The totally muddled presentation, however, detracted from each of the individual brand and corporate names.

Communicative Names There are some situations where it is appropriate for a company to use both a legal name and a communicative name. An example of this is Chemical Bank of New York City. Formerly The Chemical Bank New York Trust Company, this large financial organization came to Lippincott & Margulies for a comprehensive communications and identity program. One of our recommendations was to truncate its name to Chemical Bank. (It should be noted that Chemical Bank had gone through five name changes in its history and at one time, more than 100 years ago, was known as The Chemical Bank.)

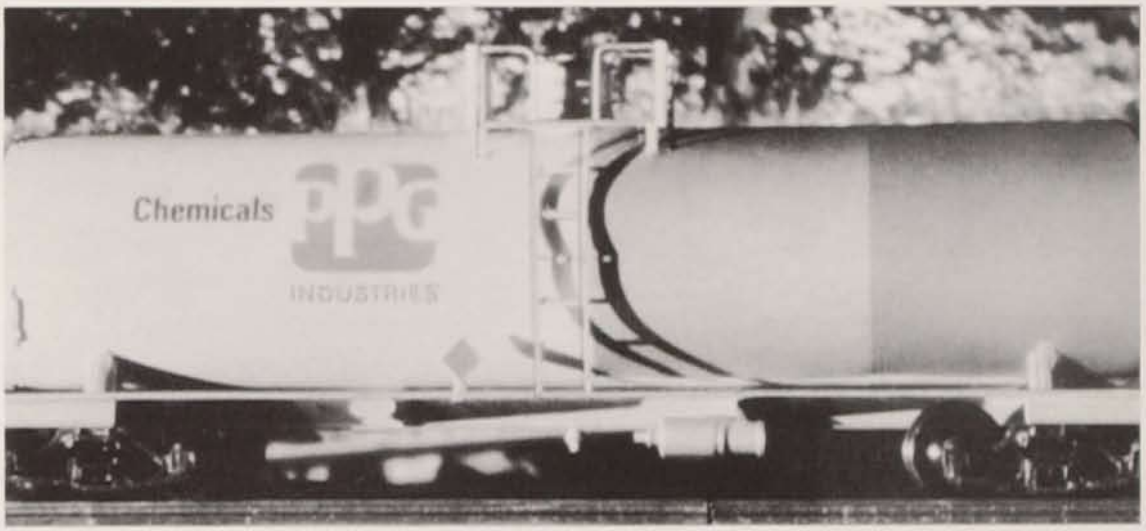
United Aircraft's corporate name was changed to United Technologies, since diversification had left only a few of the firm's 11 divisions connected with the aircraft business.

Cenex, a short, memorable, visually-oriented name, was selected as the overall retail identification for the major cooperative, Farmer's Union Central Exchange of St. Paul, Minnestota. The name had been previously used as a minor brand designation.

While Chemical Bank is still the firm's primary name, in select situations the term ChemBank is used. The purpose behind this strategy is to get away from constant use of the non-banking word Chemical, while still maintaining a link with it, and, secondly, to use an informal name to create a more casual, friendly atmosphere for what many considered a cold, financial giant.

The bank's nomenclature is also used as a direct link with its financial services. All commercial banks offer the same basic savings, checking and loan services as other banks, and one of the problems is to provide a meaningful differentiation. With this in mind, Chemical Bank's communicative name is now used as a link to these services. Instead of a checking account at Chemical Bank, this service is described as ChemCheck. Other services similarly linked are ChemSave and ChemLoan. In this way, ChemBank uses its nomenclature to set itself apart from its competition.

The Need for Professionalism Nomenclature development, with its many complexities and demanding situations, remains without question a discipline requiring a high degree of professionalism. Very few, if any, corporations maintain the experienced personnel required to undertake a sweeping program of nomenclature development involving new corporate names and the attending sub-nomenclature systems. Nor should firms maintain such staffs. A new corporate name is usually a once-in-a-lifetime undertaking for a company. A good corporate name, by definition, is one that will last for generations, or for as long as the company continues in its line of business.



Pittsburgh Plate Glass made a successful name transition to PPG Industries, one of the few initial names having a level of awareness strong enough with the public to serve as an effective corporate name.

A holding company was formed to unite the operating units of Security Life & Trust, a financial services organization. A new name, Integon, was created to suggest integrity and the integration of many parts into a whole.

Aside from the actual development of a nomenclature system, professionalism is crucial when dealing with the legal requirements and situations surrounding these projects. The various state and Federal laws and policies concerning the registration and protection of corporate and brand names are voluminous and complex. Lawyers retained by clients must be experienced in a multitude of areas—the common law as it relates to brand and corporate names and trademarks; specific statutes at the state and Federal level; patents and copyrights; domestic and foreign searches to insure a name's legality; geographic nomenclature restrictions; prior use of a name; procedural, presumptive and substantive rights of trademark statutes; limitations of state laws; Federal registration and jurisdiction.

These legal areas are the domain of the client. Obviously, Lippincott & Margulies, as marketing, communications and design consultants, does not engage in legal activities. Our role is that of a consultant, watchful of our client's needs and ready to assist and counsel him to complete successfully a communications program.

The need, therefore, for outside, professional consultants in nomenclature development is readily apparent. All about one can find examples of hastily-conceived corporate names that, in the end, work to the detriment of the firms concerned. As mentioned, a company attempting to execute its own corporate name development program will, more often than not, lack the objectivity to make the hard, critical decisions required. Particular internal problems within all companies make it extremely difficult to arrive at a solution that is free of prejudice, one that will work to the best advantage of the corporation.

The critical contribution that outside, professional communications consultants can bring to a name development program is this needed objectivity. This combined with experience in the field will lead to a business-like, methodical and creative approach to nomenclature problems. The need is to take highly complex situations and simplify them. Over the years, we have developed and sharpened such an approach, one that draws on a strong measure of business creativity.

The elements involved in the discipline of nomenclature development are as diverse as the corporations making up the national and international business community. It is this diversity that has led astute executives to turn to Lippincott & Margulies for help in this crucial area. After all, the rewards to the corporation making the right decisions concerning nomenclature can be far reaching and, in the end, extremely profitable.

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Answers to Nomenclature Mix and Match

1	E	14	O
2	D	15	C
3	Q	16	F
4	R	17	H
5	T	18	U
6	V	19	G
7	W	20	N
8	A	21	S
9	J	22	L
10	P	23	X
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